Schedule A: An underutilized tool for understanding and responding to labor demand

International talent and the United States

At a time of historic public investment in building domestic economic capacity, workforce development and retention has taken an important policy role. Creating new industrial capacity requires workers to learn new skills, especially when investments are being directed toward regions with little or no history in that industry, or when the goal of investment is to rapidly scale existing capacity at a much faster rate than historic growth. Filling the new jobs created by these investments will require workers to transition industries and occupations, but doing so will take time and may not increase supply fast enough to keep up with increasing demand.

The United States has policies to allow firms to leverage immigrant talent for skills needs unmet by the domestic labor supply without adversely affecting U.S. workers. However, the PERM process can take two years to complete, rendering it costly and unhelpful for businesses looking to quickly fill labor needs that cannot be satisfied with the existing domestic workforce.

What is Schedule A and how can it help strengthen the U.S. economy?

In 1965, the Department of Labor (DOL) established the Schedule A shortage occupation list (Group I) to identify occupations 1) for which there are not sufficient workers able, willing, qualified, and available and 2) for which the hiring of immigrants would not adversely affect U.S. workers. This list is used to precertify occupational categories as meeting those two conditions and bypass the PERM process when sponsoring immigrants for employment-based green cards. It saves DOL, immigrants, and employers time and resources. However, it is critical that identification on the list be completed using reliable data and methods.

In its early years, the Schedule A shortage occupation list was updated frequently, and, according to DOL, "was the product of an extensive process of economic and labor market analysis of employment demand and supply by the Department." Since the 1990s, the Schedule A Group I list has not been updated at all, and includes only two occupations: physical therapists and nurses.

If updated in an objective, data-driven way, Schedule A list would be the federal government's first systematic process to monitor and diagnose labor supply gaps and market shortages. With this information, the federal government could also

¹ See the <u>CHIPS and Science Act</u>, the National Science Foundation's <u>Regional Innovation Engines</u>, the Department of Energy's <u>Energy Innovation Hubs</u>, the Department of Commerce's <u>Regional Technology and Innovation Hubs</u>, and President Biden's <u>Executive Order on the Safe</u>, <u>Secure</u>, <u>and Trustworthy Development and Use of Artificial Intelligence</u>.

² "Labor Certification for Permanent Employment of Foreign Workers in the United States; Modernizing Schedule A To Include Consideration of Additional Occupations in Science, Technology, Engineering, and Mathematics (STEM) and Non-STEM Occupations," December 21, 2023, 88 FR 88290, DOL Employment and Training Administration.

target workforce training programs, educational programs, and similar spending to the areas they are needed most.

Current actions on Schedule A

Congress has demonstrated an interest in the update of Schedule A multiple times over the past year. In June 2023, the Joint Economic Committee Democrats issued a brief outlining the issue and urging DOL to update Schedule A.³ Just six months later, a bipartisan group of senators led by Senator Hickenlooper and Senator Cramer sent DOL a letter asking DOL five questions about why the agency has not updated Schedule A in so long (they have not yet received a reply).⁴ The House Select Committee on China recommended that DOL update Schedule A the next day.⁵

Within the Executive Branch, President Biden issued an Executive Order on Artificial Intelligence October 30, 2023, which included a request that DOL update Schedule A.⁶ In response, DOL issued a Request for Information (RFI) to solicit the public "to provide input on the appropriate data sources and methods for determining whether labor shortages exist, whether Schedule A should be used to alleviate any labor shortages in STEM occupations should it be determined from these data sources and methods that such shortages exist, and if so, how the Department could establish a reliable, objective, and transparent methodology for identifying STEM occupations that are experiencing labor shortages." The RFI closed its comment period on May 13, 2024 and received over 2000 public comments.

Challenges to updating Schedule A

While the RFI is an important step in modernizing Schedule A, evaluating the comments submitted and turning them into actual rulemaking will require deep understanding and engagement with relevant data and sources of evidence.

Request

Given the Workforce Information Advisory Committee's (WIAC) expertise, we request that the committee offer ETA assistance and advice in assessing RFI responses and identifying preferred options to modernize Schedule A. We also request that the WIAC recommend to the acting Secretary of Labor that she direct ETA to make a presentation to her before the end of 2024 with its assessment of the RFI responses and its recommendations for her review and approval.

³ "Modernizing the Schedule A Occupation List Can Help the United States Address Key Employment Shortages," June 30, 2023, Joint Economic Committee Democrats.

⁴ "<u>Hickenlooper, Cramer Call on Department of Labor to Streamline Immigration Process, Address Critical</u> Workforce Shortages," December 11, 2023, Office of Senator Hickenlooper.

⁵ "Reset, Prevent, Build: A Strategy to Win America's Economic Competition with the Chinese Communist Party," December 11, 2023, House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party.

⁶ "Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence," October 30, 2023, Executive Office of the President.